



Capital for Communities –
Opportunities for People®

Schedule 1 Servicer Duties

CONTRACT ORIENTATION, INVESTOR SETUP AND CONVERSION

- **Contract Origination**-Origination of Contract and schedules.
- **Investor Setup**- Servicer will set up Client in the servicing system so the software is able to assign loans and produce reports for the Client.
- **Portal Access set up**-Servicer will set up access on portal for Client authorized personnel. Client will have the ability to access investor reports, view key details of Client loans, plus comments related to those loans.
- **Loan Conversion** -On the agreed upon date, the investors loans will be imported from file provided, or built into Servicers system manually (if permitted by Servicer).

NEW LOAN SET UP

- **Loan Boarding**- Subsequent to Loan Conversion, Servicer will receive information from Client on new loans originated by Client in an agreed upon format for boarding the loan into the Servicer's servicing system. Within 3 days of receipt, Servicer will board the new loan using the information provided.
- **Quality Control Review**-Upon boarding, the loan will be reviewed prior to activation) to verify the data entered to servicing system agrees with the terms of the promissory note provided by Client.
- **Welcome Letter**-A welcome letter will be sent to the borrower following Loan Boarding. This form letter shall include the toll-free customer service number as well as an email address that are available for the borrower to use should they have questions regarding their loan (see below).
 - An ACH form will be included with the letter for the borrower to complete and return to CRF if they would like their payments drafted automatically.
 - The letter will also contain instructions for the borrower to request and receive access to Loan Portal where they may access their loan information and also make loan payments.

STANDARD SERVICING (Deferred or Amortizing)

- **Billing**- Borrowers with loans that have regularly scheduled payments will receive billing statements on a monthly basis or appropriate frequency based on terms of the promissory note.
 - Billing statements will not be sent to borrower with deferred loans.
- **Process Loan Payments**-Servicer shall process payments of principal, interest and any fees remitted by the borrower. Funds will be deposited to a custodial account for the benefit of the Client.
- **Customer Service**- Servicer shall provide scheduled customer service from 8:00AM – 4:30 PM CST. The customer service team is available through the toll-free phone number or email at loanservicing@crfusa.com . All inquiries will be responded to within one (1) business day.
- **Borrower Portal Access** - Borrowers are able to setup portal access and view loan information on the loan portal as well as schedule their loan payments. (Setup instructions are included in the Welcome letter and on the portal).
- **Payoff Requests**-Servicer will issue payoff statement requests within two (2) business days. Servicer will require borrower authorization when information is requested via third party.
- **Routine Communications** - Servicer will note its file and promptly inform Client of its receipt of any formal notices of events affecting Borrowers. This includes notices of foreclosure, bankruptcy, property casualty, death of obligors,

and similar items (collectively "Formal Notices"). Conversely, Client will promptly inform Servicer of any Formal Notices it receives, as well as any modifications to the loan terms which Client undertakes without the participation or knowledge of Servicer. Note that any special servicing Client requires Servicer to perform are described in the attached Special Servicing section below.

- **Monthly Reporting-** Servicer will provide standard monthly reporting to Client and on the 1st business day of the month. The standard reports include the following: Loan Trial Balance, Aged Delinquency, Principal and Interest Collections, New Loans (boarded), and Paid Loans. Special reports may be added at an additional cost for programming and periodic completion.
- **Monthly Funds Remittance-** Servicer shall remit collected funds less servicing fee to Client by the 10th business day of the month. Late charges will be retained by Servicer. Funds will be remitted via ACH. An invoice will be distributed detailing the servicing fees.
- **Annual IRS Reporting-** Servicer shall provide borrowers with the required IRS annual Form 1098 tax reporting.

MORTGAGE/DEED OF TRUST SATISFACTION PREPARATION

- **Loan Payoffs-** Servicer shall draft mortgage satisfactions 10 business days after loan is paid in full to ensure funds received are cleared. Satisfaction is sent to Client for signature.

SUBORDINATION PREPARATION

- Servicer will review submitted information based on the Client's program requirements. Servicer will forward to Client for signature. Note: This fee is borrower paid.

ESCROW MANAGEMENT

- Servicer shall process payments for insurance and/or real estate taxes in a timely manner from the borrower's escrow balance. Servicer shall provide annual escrow analysis statements

REAL ESTATE TAXES MONITORING

- Servicer shall monitor that Real Estate taxes have been reported as paid in a timely manner; either of its own accord, or through a third party service.

INSURANCE MONITORING

- Servicer shall monitor insurance coverage expiration, and request renewal certificate of insurance from borrowers, with the intent of helping ensure insurance coverage is in place and that the Client is named as insured; either of its own accord, or through a third party service.

FINAL TRANSACTION / SPECIAL PROCESSING

- In special circumstances such as a charge-off, foreclosure, servicing release or any other transaction that is processed on a loan that is not paid in full but is no longer an active loan on the servicing system.
 - This does NOT include processing a paid in full transaction.

OCCUPANCY/HOMESTEAD VERIFICATION

- Servicer shall verify per the requirements of the Clients specific loan program if the borrower is still living in the home and/or has the property homesteaded.

DEFAULT MANAGEMENT

- **Early Delinquency -** Servicer will make reasonable efforts to maintain loans in a current status and will make reasonable periodic efforts to contact borrowers who are delinquent, in order to encourage payment. Such efforts will be limited to those loans that are no more than 59 days past due.
 - Servicer will follow customary, usual and prudent business practices in its collection efforts.

- Servicer will send payment reminders each month for loans 15 – 29 days past due and collection letters for loans 31- 59 days past due.
- **Late Delinquency** - Servicer will make reasonable efforts to contact Borrowers, solicit payments, and return loans to a current status, where the loan has reached 60 or more days past due, in order to encourage payment.
 - Servicer will follow customary, usual and prudent business practices in its collection efforts.
 - Servicer will send formal default letters for loans reaching 75 or more days past due.
- **Loan Modifications** – Servicer shall respond to Client or Borrower requests for modifications to their loan terms, including Repayment Plans, Forbearance Agreements, Deferments, Extensions, Short Sales (Pre-Foreclosure Sales), or Negotiated Releases of collateral, obligors or guarantors.
 - Servicer shall make no decisions independent of the Client. Client shall have final approval of any Loan Modifications, unless Client has instructed Servicer in writing that it may approve Loan Modifications.
 - Servicer will follow customary, usual and prudent business practices in its review and processing of Loan Modifications, and to keep Client informed of the status of such requests.
 - Both Client and Servicer recognize that time is of the essence in responding to and approving or declining Loan Modification requests.
 - Servicer shall monitor Borrowers who have received Loan Modifications, as required by the modification, and make such changes to the loan record as required by the modification terms.
- **Special Servicing** - Servicer shall perform special servicing actions and steps for loans subject to formal legal proceedings, including Bankruptcy, Foreclosure, Deed-in-lieu of Foreclosure, Collections suits, Repossession, and Charge-offs involving either an obligor(s) or guarantor(s).
 - Servicer shall make no decisions or take actions independent of the Client, who shall have final say in approval of any Special Servicing actions (other than routine steps taken to protect or preserve Clients interests), unless Client has instructed Servicer in writing that it may approve and take such actions.
 - Servicer will follow customary, usual and prudent business practices in its review, processing, and management of Special Servicing of Client loans, and to keep Client informed of the status of loans.
 - Both Client and Servicer recognize that time is of the essence in responding to and approving or declining Special Servicing Actions.
 - Servicer shall monitor Borrowers who have subject to Special Servicing, as required by the governing legal proceedings or requirements, and make such changes to the loan record as required to reflect the Special Servicing requirements. With respect to Bankruptcy, the Special Servicing shall include Filings, Proof of Claim, Repayment Plan setup and monitoring, and discharge/Completion processing.
- **Other Servicing** - Servicer shall perform the following additional servicing actions and steps for loans as requested by Client. Servicer will follow customary, usual and prudent business practices in its completing these services. The Client shall bear all of Servicer's out of pocket costs for third parties related to these items.
 - REO Marketing
 - Insurance Inspections
 - Default Inspections
 - Property Valuation or Appraisal
 - Property Preservation and security

ADDITIONAL SERVICES

SPECIAL REPORT PROGRAMMING

- Optional reports may be requested by Client and agreed to by Servicer. These reports will be programmed and provided on a frequency as requested by Client and agreed to by Servicer.

- This service is provided based on an hourly rate. The Client acknowledges that Servicer shall advise the Client of estimated time required for the programming, testing and scheduling of such report, and that Client is responsible for the costs of design, programming and provision of such reports.

SPECIAL REPORT DISTRIBUTION

- If a special report built per Clients request requires any type of regular or periodic maintenance or manual intervention to maintain it, then such report(s) will be billed to Client based on an hourly rate.

SPECIAL PROJECT WORK

- Any additional work that Client may request of Servicer that is not included in the Servicing contract or otherwise described in an exhibit or addendum to the contract. This may include activities such as audit preparation, reconciliation or special mailing preparation and distribution.

NON STANDARD SERVICING ACTIVITIES

- Any activities not included in the standard servicing activities that may be required by the Client are described below:
 - [Insert description]
 - [Insert description]
 - [Insert description]